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SOURCE Jen-min Shou-ts'e, pp 356-371

SOCIALIZATION OF CHINESE AGRICULTURE

[Comment and Summary: The following report is a combination of several reports from the 1952 Jen-min Shou-ts'e. The original sources are given in the individual reports.

The combined report deals with the history and progress of a number of mutual aid teams and agricultural production cooperatives in various parts of China.]

I. MUTUAL AID ACTIVITIES EXPEDITE AGRICULTURE

(The following report from the Jen-min Shou-ts'e came originally from the semimonthly periodical Hsueh-hsi of 21 March 1952.)

Seasonal mutual aid teams usually consist of three to five families and amount to a simple temporary work-exchange arrangement to carry the members through the busy season.

The more permanent year-round teams may have from 10 to 30 families, with a well-organized leadership and program, and may include acquisition of public property and capital reserves in their program.

Agricultural production cooperatives are an advanced form of organization involving pooling of labor and land use and acquisition of public property and capital reserves.

The seasonal mutual aid teams assist farmers who are short of labor in the busy season to get their work done on time.

The year-round mutual aid teams, such as that led by Han En of Chiao-ho Hsien, Kirin Province, promote supplementary production. For instance, this team was able to buy four rubber-tired farm carts and seven horses from the profits of 1951 supplementary industries.

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Another such team in Ta-ming Hsien, Hopeh, led by Chang H. i-shun, used a joint-stock plan to buy livestock as an investment, and later, by the same method, it raised funds to open an oil shop. By the end of the year, each member received 350 catties of bean cake as his dividend from the oil business. Later on, the members raised hogs, chiefly to secure fertilizer. The improved fertilization of their land resulted in a yield of 170 catties of millet per mou ^{one mou equals 1/6 acre} that year. In another year, during a drought, they collectively dug wells and bought pumps for irrigation, obtaining a yield of 240 catties of millet per mou.

In the teams mentioned above, there are such subdivisions as the Technical Study Office, which is further subdivided into groups especially concerned with seed selection, utilization of fertilizer, pest extermination, and animal husbandry. This division of labor has led to many technical improvements, as a result of specialized research. Fourteen percent of the North China farmers are now organized in such advanced types or mutual aid teams.

In the Chin Shih-lung agricultural production cooperative, 70 percent of net profits are allotted to payment of wages and 30 percent to payment for land use. Excess net profits are allotted equally between labor and capital reserves. Agricultural production cooperatives carry the organization principle to a greater degree of perfection and expand its ramifications. Unified management becomes more marked and efficient in the matter of assignment of labor and more rational utilization of the land. Pooling the land results in elimination of boundaries, with an increase of area and the possibility of the use of large-scale machinery.

In China and Manchuria ^[spring 1952], there are only about 300 agricultural production cooperatives, but the number is increasing.

II. THE LI SHUN-TA MUTUAL AID TEAM

(The following discussion of the agricultural activities of Li Shun-ta, model agricultural worker, Hsi-k'ou Ts'un, Shansi, is based on a Hsin-hua report of 31 March 1951.)

The village of Hsi-kou Ts'un is situated in four mountain gullies. The area is rocky, the soil thin, and most of the arable land is on the mountain slopes.

The total crop of the 20 village families in prewar days was about 200 shih ^[one shih equals 103.5 liters] of grain, of which half went to the landlords. Consequently they had only enough grain for half the year and were compelled to subsist for the other half on chaff and vegetables.

In 1943, Li Shun-ta organized a mutual aid team of six members. It opened up seven mou of wild land. Its success led others to join until there were 16 families divided into three working teams. The team distributed relief and loan grain to tide over those who were short of grain during the spring season. Altogether, it opened up 120 mou of wild land, which was all planted to potatoes, with a total yield of over 100,000 catties.

In 1944 - 1945, because of shortage of man and animal power, caused by war demands, Li took the people remaining in the village into the mutual aid team. By a scientific division of labor, he made it possible to carry out the cultivation and harvesting of the year's crops. They planted millet on the land opened in 1943 and reaped 120 shih, of which they sold 50 shih; with the proceeds they bought land, five work animals, and a number of implements.

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At the time of the harvest in 1945, there was only one able-bodied male laborer left in each of the five mutual aid teams in the village. Li Shun-ta rounded up 32 old men, women, and children and harvested all the millet in the village in 3 days.

By 1947, the villagers had practically recovered their former man and animal power. Many of the villagers were backward and did not even think it necessary to plow their land. To help them understand, Li plowed a very weak piece of his own land, which he had not cropped in 3 years, three times until the weeds were gone and the soil was loose. He harvested 1.7 shih from 0.7 mou. He led the mutual aid teams in terracing 32 mou of thin-soiled mountain slope, with a resulting production increase of 30-50 percent. Later, Li studied the proper spacing of rows on ridges, slopes, and terraces. By his example, he gradually won the people to believe in spring plowing, wider spacing of rows, and the idea that farming required skills, as well as brute strength. Li also persuaded the villagers that soaking the seed in a warm disinfectant solution before planting would eliminate disease. Wider spacing of rows resulted in 30 percent better crop yield.

General conditions in Hsi-kou Ts'un have improved a considerably since the Li Shun-ta mutual aid team started operating. Production is 77 percent above pre-war days. The number of work animals has increased by nearly 200 percent. Some 50 rooms of new buildings have appeared, and all families have sufficient grain. A total of 280 mou of mountain slopes have been afforested.

III. THE WANG-MANG TS'UN JOINT MUTUAL AID TEAM

(On 3 June 1952, the Sian Ch'un-chung Jih-pao, published a resume of the organization and activities of the Wang-mang Ts'un, Shensi, joint mutual aid team. This resume was prepared by one Hua Erh-shih.)

Before the liberation, Wang-mang Ts'un was a rather typical village, with 167 families. The peasants were classified as follows: Tenant farmers, 6; poor farmers, 83; middle-class farmers, 71; rich farmers, 4; big landlords, 2; and small landlords, one. The three landlords owned 600 mou of the 1,500 mou of land owned by the village. Sixty to 70 percent of the tenant farmers' income was paid to the landlords each year, and, in addition, there were various taxes and irregular levies collected by the government. The result was that the tenant families seldom had enough to eat or wear. There was schooling for only 20-30 pupils.

After liberation and land reform, the poor farmers received land, houses, livestock, and implements. They began to organize mutual aid teams. The standard of living had risen, with the farmers able to have rice 5 months of the year in 1951 and plenty of coarser cereals throughout the year. They also had new clothing at the New Year season. The 1952 school enrollment is 119 pupils, and all children above 7 are in school. Adult attendance at winter classes in 1951 was 300. There is a village library, and all the mutual aid team members read newspapers. There is a joint subscription list of 15 for the Shensi Jih-pao, two for the Hsin Ch'ing-nien (New Youth), and one for the Sian Ch'un-chung Jih-pao. There are ten black-board newspapers, two megaphones, and a theatrical team.

In 1949, after the rent-reduction campaign, there was considerable agitation for organization, but a majority of the people were apathetic or fearful of suffering financial loss. Finally, P'u Chung-chih persuaded 38 cadres to join him in a trial mutual aid team. Later, after what seemed an auspicious start, 20 members of the Peasants Association joined the team. However, the team soon collapsed because of disagreement over labor reimbursement.

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In January 1951, after land reform had been completed, a group of delegates was sent to Sian to take part in a province-wide agricultural production conference. With the impetus given to the idea of organization by the reports of these delegates on their return, 14 mutual aid teams were soon organized under the general supervision of P'u Chung-chih and I Chi-tung, activists. The teams ranged from three to ten members each. A leader and accountant were popularly elected for each team. Together, the members of all the teams elected a joint committee of seven to promote and inspect the operations. P'u Chung-chih was elected chairman of the joint organization. Thus was instituted the Wang-mang T'sun Joint Mutual Aid Team.

The joint committee of seven is responsible for supervising production of the various teams. It assists the teams in drawing up their production plans and acts on production difficulties arising from problems of utilization of manpower, animal power, and implements. Every 10 days there is a conference of the leaders of all the individual mutual aid teams, and a general meeting of all the members is held each month. At the leaders' conferences and the mass meeting of the members, production plans and problems receive full discussion. Criticism and self-criticism are encouraged. Good work is praised and weaknesses are corrected.

Decisions reached at conference are expected to be carried out and members are expected to be obedient to leaders. Permission has to be secured in advance for absence from meetings, and tardiness and early leaving are discouraged.

Admission of new members or new teams is granted only after thorough discussion and agreement by the whole membership. Willingness to abide by the regulations and follow leadership is a prime point considered when discussing the admission of a new member or team. A member or team may voluntarily withdraw after application has been approved by the mass meeting of the total membership.

Strong leadership of the Communist Party is an important factor in the success of this joint mutual aid team venture. P'u Chung-chih and I Chi-tung are both party members. There are nine Communists and 19 members of the Youth Corps in the village. Yi Chi-tung, the village chief, is secretary of the village party cell. The cell exerts strong leadership in the joint mutual aid team. All production plans and programs are first thoroughly discussed in the cell meetings, which are held every 10 days, before they are presented for final action to the leaders' conference and the members' mass meeting. Representation of upper party echelons frequently visit the village to give advice and study local conditions.

By January 1952, the number of mutual aid teams in the joint team had increased to 25. In addition, there were 17 teams of women. The women workers are distributed among the teams of men on the basis of family groups. Of the 167 families in the village, only 16 are not in mutual aid teams. Of these, six families have no labor force of their own.

In the joint mutual aid team, compensation is set on the basis of ten credit points for a full, normal day's work. Deductions are made for less than a full day's work. The compensation for men in the slack season is $1\frac{1}{2}$ sheng [one sheng equals 1.035 liters dry measure] of rice and one sheng for women. In the busy seasons, the remuneration is 2 sheng for men and $1\frac{1}{2}$ sheng for women. This is in addition to food, which is furnished at the rate of three meals with a full day's work for men. No food is furnished for women.

Settlements are made monthly or semimonthly. The above wage scale is considered roughly equivalent to that of city workers.

Field work for animals [cattle] is paid for at the rate of 2.4 sheng of rice per day. This scale was decided on by the mass meeting of members.

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Implements are nearly all owned by the mutual aid teams, and their use is controlled by the joint team. Precedence of work in various fields is based on the nature of the soil and contour of the land, which affects the need for earlier or later cultivation after rainfall. Harvesting is regulated according to the condition of the crop and the distance from the center of the area. Light soils and high ground are cultivated first after rains. Standing grain in distant fields is harvested first, while lodged grain in distant fields and standing grain in nearer fields are harvested later. Thus, losses due to weather factors will be held to a minimum. These plans were approved after much discussion by the members. Whereas before the development of mutual aid teams, the harvesting and fall plowing season extended over 45 days, in 1951 this period was reduced to 18 days.

The mutual aid teams are advancing their techniques, and because of unified direction, the maximum results can be secured from utilization of labor, animals, and equipment. In 1952, closer planting is being adopted, cutting the area occupied by one rice plant from 1.2 foot square to 8 inches square. This will add one third to the number of plants per unit of area. Whereas formerly, basic fertilizers were not used by individual farmers for wheat, in 1952 they are being applied at the rate of 20 baskets per mou (one mou equals 1/6 acre), followed by later additional fertilization. Rice will be fertilized three times and heavier applications will be made in 1952 to meet the needs of closer planting. All the operations of preparation of soil and cultivation of crops are being intensified. The number of irrigations is also being increased.

In 1951, the average yield of all grains for the whole area cultivated by the 22 mutual aid teams which were at the time members of the joint mutual aid team was 474 catties per mou, a 63.9-percent gain over the 1950 yield and over 200 percent of preliberation production. The joint team won a national award for over-all high production in 1951.

The joint team entered into both nationwide and local emulation contests in 1951, and the members have signed the Patriotic Production-Increase Pact for 1952. They have drawn up plans for drought prevention. The joint team has been able to undertake a large amount of irrigation work that individual farmers could not carry out.

The mutual aid teams, by making efficient use of farm labor, have released labor for supplementary industry, including cutting brush for brooms, bean-curd manufacture, and hog feeding.

The members of the teams have monthly meetings for political discussion. The joint team donated 6,500,000 yuan for airplanes from surpluses. They are now looking forward toward collectivization.

Some of the weaknesses of the joint team activities are as follows:

1. Inequality of payment of men and women for the same work done. The women are discontented with this deviation. Another inequality is that no matter what the quality of a man's work or the degree of his skill, if he puts in a full day, he gets his ten-point credit. This puts a premium on mediocrity and discourages initiative.
2. All heads of the 17 women's auxiliary teams are men, with women as deputies. The deputies lead in women's meetings. It should be possible for women of ability to become team leaders, and the rules should be changed to permit their election as leaders.

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3. The Wang-mang T'sun Joint Mutual Aid Team is short of modern implements and other public property. The division of the income from supplementary activities has not yet been properly distributed to provide for public reserve funds.

4. Division of labor to utilize to the best advantage the special skills of the members has not yet been provided for.

5. The joint team has too many meetings. There are meetings every evening, often lasting until midnight, largely because the program is poorly organized. In the busy season, when the people have to rise at 0500 hours to go to work, this sort of meeting program saps their strength and breaks down the health of both cadres and workers.

6. While there has been some improvement of diet among the villagers, their diet still lacks fresh vegetables. Not a single family raises vegetables, although space and seeds are readily available. This is a matter which has a decided bearing on keeping up the health of farm workers.

These backward conditions still exist because the mutual aid team leaders are still overconservative, and the positive leadership exerted by leaders on higher levels is as yet insufficient.

IV. THE HAN EN AGRICULTURAL PRODUCTION COOPERATIVE

(The following discussion of the development of the Han En Agricultural Production Cooperative in Kirin Province is based on a report appearing in the Tung-pei Jih-pao of 17 April 1952.)

The Han En Mutual Aid Team was organized in 1947. During the 5 years of its existence, it has contributed much to the welfare of the villagers. However, certain procedural problems were found difficult to solve as follows:

1. After 1949, several members of the team undertook transportation with eight rubber-tired carts they owned as a supplementary industry. They did so well that they refused to leave that work to work on the farm in the busy season. This caused much friction in the group and resulted in the agricultural workers demanding and receiving higher wages.

2. The second question that caused trouble and that was never solved to the satisfaction of all, despite many public discussions, was the investment of the profits of the supplementary industries, mainly the transportation industry. The money was finally deposited in the People's Bank, but this left many dissatisfied.

3. In 1949, the Central People's Government awarded the team a set of new-type implements. However, because of the scattered nature of the team's holdings and the variety of the crops, no satisfactory method of using the machinery was found.

After attending a model workers' round-table conference in Peiping and observing the operations of agricultural production cooperatives in Hopeh, Han En was convinced that the organization of an agricultural production cooperative in his village would solve many of the problems of his mutual aid team.

A large number of the members were ready to make the change on a trial basis, but there was much argument over the basis on which land and animals should be pooled into the cooperative as shares. Finally, after protracted and sometimes heated debate over a period of many days, it was decided that animals and equipment would be evaluated and entered as shares on a cash basis. Land was classified by grades and evaluated as shares accordingly. Each family reserved half a mou for a garden. The rest was pooled. The following agreement was reached on the distribution of the season's income, the first charge on the income is for

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tax grain; and secondly, 5 percent is set aside for public reserves, 0.5 percent for depreciation on implements, 30 percent of the remainder as payment for land use, and 70 percent for farm labor remuneration. The income from supplementary activities in this case, chiefly trucking is distributed according to a daily wage scale after deduction of 5 percent for public reserves and 10 percent for depreciation on carts and animals. Settlements are made monthly.

On 5 February 1952, the agricultural production cooperative was organized under the name of Han En Agricultural Production Cooperative and Han En was elected chairman. Five production teams were set up to specialize as follows: new farming implements, old farming implements, irrigation, animal husbandry, and supplementary activities. All teams are under the direction of the chairman, and any shifts from one group to another require his approval. All work has been assigned a time schedule. All able-bodied men must work at least 120 days a year in agricultural production. All who put in more than 240 days will receive an award. Construction of a creche and public bathhouse have been voted on. Medical expenses will be paid by the cooperative when illness is caused by the work, plus two thirds of the regular wage up to 50 days.

The land farmed by the cooperative has been divided into six blocks, with boundaries in each block eliminated to make possible the use of larger machinery. Surplus income will be reinvested in agricultural production. Twenty milk cows have been purchased as a beginning.

During 1952, the cooperative will start reviving the productiveness of 400 mou the top soil of which had been washed away by heavy rains in 1951.

V. THE KENG CHA'NG-SO AGRICULTURAL PRODUCTION COOPERATIVE

(The following report is from an article appearing in Jen-min Jih-pao of 19 March 1952.)

The Keng Ch'ang-so Agricultural Production Cooperative in Wu-kung Ts'un, Hopeh, was organized in 1943, the outgrowth of a supplementary-activities mutual aid team consisting of four poor families. On the withdrawal of one of the families because of dissatisfaction with the financial arrangements, the team adopted a plan of 50 percent of the income as remuneration for land use and 50 percent for labor in its farming operations. In its supplementary activity of ropemaking, it divided the profits on the basis of 30 percent for capital invested and 70 percent for labor.

After the withdrawal of the one family, Keng Ch'ang-so joined the group. Being a Communist Party member and a reasonable man, he was elected leader of the team and changed the mutual aid team organization to that of an agricultural production cooperative.

Although the members had neither work animals nor carts, they mobilized all their able-bodied labor force and cultivated their land by day and made rope by night. Their grain production in 1944 was 260 catties per mou, and with the income from the ropemaking, there was no lack of food that year. On the other hand, the man who had withdrawn from the team was forced to sell part of his land and equipment to provide for his family.

In 1945, the total number of families in the cooperative increased to 17, working 229 mou of land and using four animals and two carts. The remuneration for land use was changed to 40 percent of the income and for labor, to 60 percent

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of the income. Division of labor, careful accounting, and democratic administration were instituted. However, inexperience in the management of such a large group and the deteriorated condition of much of the land, caused by the war, resulted in a net income of only 45 catties per mou after taxes. Supplementary activity income was also meager. Eight families decided to withdraw.

In 1946, with only nine families holding 104 mou of land and having three work animals, the income distribution was again shifted to 60 percent for land use and 40 percent for labor, with 60 percent for labor and 40 percent for capital for supplementary-activity income. With more care in cultivation, the group harvested an average of 295 catties of grain per mou, an increase of 75 catties per mou. These figures surpassed individual and mutual aid team production in the area. Supplementary-activity income amounted to 5 million yuan. There was a general feeling that the groundwork had been laid for the following year's progress.

In 1947, the labor force was divided into three teams according to skills, responsible respectively for field work, vegetable-oil production, and ropemaking. It was no longer necessary for field workers to make rope at night. This improvement was largely caused by the reduction of civil war responsibilities. Because of the improvements, some of those who withdrew at the end of the 1945 season returned. During the season, management principles had been revised and strengthened, animals and equipment added, and buildings constructed.

From 1948 to 1951, 17 families were in the cooperative continuously. In 1948, more equipment and buildings were added, hog feeding was begun, and an oil press was set up. Completion of land reform in 1948 also stimulated enthusiasm. The crop production in 1948 was 329 catties per mou, an all-time record for the village.

In 1950, production per mou was raised to 470 catties, as compared with 250 catties for the area as a whole. The working capital for supplementary activities was increased to 60,641 catties of peanuts. Buildings were added. The ratio of income in supplementary activities was revised to 70 percent for labor and 30 percent for capital. The ratio for labor and land use in agricultural production remained at 60 and 40 percent respectively. Every full-time laborer was entitled to 7,000 catties of grain for his remuneration for the year from both agricultural and supplementary-activity production.

In 1951, production per mou increased to 510 catties. Each full-time laborer received 4,834 catties of grain from the farm production.

In the Keng Ch'ang-so Agricultural Production Cooperative, the mass meetings of all members, held on 15 January, 5 May, and 15 August each year, represent the final legislative authority. These meetings elect the chairman, deputy chairman, and the leaders of the production teams. The chairman renders a comprehensive report on the operations and status of the cooperative at each meeting.

Between mass meetings, the Conference of Family Representatives is the interim legislative body, which sets production and task plans and decides other major questions. Plans, after adoption by the conference, are turned over to the chairman to be carried out. These conferences meet monthly, and in addition to plans, they discuss accomplishments and encourage criticism and self-criticism. Awards are granted to good workers (since 1951) on the basis of enthusiasm for labor, obedience to the leader, and activity in criticism and self-criticism. The Family Representatives' Conference elects labor models and presents oral eulogies or other forms of awards. A final evaluation and selection is made at the year's end.

Work team meetings are held every 5 days. The chairman, deputy chairman, and team leaders meet every day. In addition to the chairman and deputy-chairman (a woman), there are a cashier and a steward, as well as caretakers for animals and implements.

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An able-bodied worker is awarded 10 points for each full day's work. Men from 18 to 65 are considered able-bodied workers and from 66 to 75, eighty percent able-bodied. Boys 15-17 are considered 60 percent able-bodied. Women 18-35 are considered 80 percent able-bodied and girls 15-17, fifty percent able-bodied. However, women and girls may, if they demonstrate equal ability with men, be paid on the same basis. The Family Representatives' Conference passes on labor credits on the basis of strength, skill, and efficiency of the laborer. Labor credits are assigned monthly. Annually, a roster of standard workers is drawn up, that is, those workers who in both regular and supplementary activities are considered full-time, 10-point-a-day workers. Those who do not qualify as standard laborers are counted as free-lance workers or contractors.

Profits are distributed after a deduction of 5 percent of production for public reserve funds and sufficient seeds for the following year. Grain taxes are the responsibility of the individual landowner. Feed is retained by the cooperative, since all animals are now considered public property, having been included with implements as representing capital shares in the supplementary industry.

Those desiring to enter the cooperative must have unanimous approval of the membership. Any member may withdraw at his own discretion and is entitled to take with him his proper share of production profits and his capital. He may not withdraw any share of the common reserve funds. A member dismissed by the cooperative has the same rights as one withdrawing voluntarily. Any losses to the cooperative for which a withdrawing member is responsible shall be repaid by him.

The advantages of the Keng Ch'ang-so Agricultural Production Cooperative may be listed as follows:

1. Unified management of the land results in efficient cropping, according to the nature of the soil.
2. The demands of national economic planning can be more efficiently met by specialized use of the land.
3. Harvesting is expedited because crops of each type are all placed together, thus saving labor.
4. In times of crisis, the pooling of labor enables the group to meet the crisis successfully.
5. Labor is saved in having one person keep all accounts.
6. Pooling of the land and elimination of boundaries not only increases the amount of arable land but also permits the use of modern machinery that increases output per unit of area, while saving labor. The cooperative now has one 7-inch and one 10-inch plow, a four-row cultivator, and a weeding cultivator.
7. By pooling labor, the cooperative is able actually to do more work in the fields than individual farmers, while still releasing more labor for supplementary activities, from which a good supply of ready funds come for the purchase of animals and equipment.
8. Democratic processes of setting programs and exemplary leadership have stabilized the membership, with resulting solidarity and efficiency.

Some suggestions for improvement of the cooperative are as follows:

1. Caution to insure that the emphasis on supplementary industries does not overshadow the emphasis on regular crop production. In recent years, the income from supplementary industries has been greater than from regular production. This situation, if continued, can easily result in neglect of the prime purpose of the cooperative, namely, increase of agricultural production.

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2. A readjustment of the ratio of income from land use and labor should be made to cut down the favorable position of land owners in comparison with those who are able to contribute only labor. The principle that labor is the most important element in agricultural production must be firmly established.

3. The rate of accumulation of public reserve funds should be augmented. While the public reserves and property of this cooperative are liberal, as compared with other cooperatives, when compared with the private property of the members, they are meager. At present, all the members of the cooperative are economically well situated, but the cooperative does not have sufficient reserves to launch any seriously needed large-scale programs of improvement. One reason for this is that the members have been remiss in their contributions to the public reserve funds, having the opinion that if reserves are large, new members will be benefited out of proportion to their contribution to the fund. Members must be made to understand that attention only to building up their own individual economic competence is shortsighted, for it is only as the cooperative is able to launch improvement programs that production can be increased, and only as production is increased, can the standard of living rise.

4. Since the 210 mou of land cultivated by the cooperative are divided into 76 noncontiguous plots, the most efficient use of heavy machinery cannot be realized. Some members are advocating making exchanges with other owners to secure greater contiguity of the land. They are even willing to offer sizable bonuses to make such exchanges. This is a problem with which the leaders of the cooperative must find suitable means to cope with.

5. The cooperative, although in existence for several years, is lacking in political leadership and thought education. This matter should no longer be neglected if the cooperative is to develop properly.

VI. THE ROAD OF SOCIALIZATION IS THE ROAD FOR CHINESE AGRICULTURE

(This report is based on an article published in Hsueh-hsi of 21 March 1952.)

Although land reform has been generally completed, the Chinese rural economy is still essentially a small-scale individual economy, capable of following either a capitalistic or a socialistic trend.

Under a capitalistic trend, the small farmers will be subjected to exploitation by farmers in better circumstance, who will act as employers of labor or make loans at high interest rates. The small farmers will also be exploited by commercialists, who buy the small farmers' products and supply them latter with production materials and consumer goods.

It is necessary, therefore, for the party and the government in the period of the New People's Democracy to start and maintain the trend toward socialization by organizing the farmers into mutual aid teams (temporary, seasonal, and annual) for production and agricultural production cooperatives. These organizations can be used as training organs in collective thinking and effort. Thus, the farmers will gradually be prepared for full participation in socialistic collectivism.

The farmers are also to be organized into marketing and supply cooperatives which dispose of production and supply consumer goods and production-material needs. As these organizations are made up of the farmers themselves, there is no likelihood of any commercial exploitation of the farmers.

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It is true that in the present stage of the New People's Democracy, some former wealthy peasants remain and some new wealthy peasants are emerging; however, under the leadership of the party and the people's government, the climate is not favorable to the continued development of these phenomena, which lead toward revival of individualistic capitalism and class divisions in rural society.

Development along the road to individualistic capitalism will result in the exploitation and bankruptcy of the small farmers and the further enrichment of the rich farmers; development along the road to socialism will result in the general elevation of the standard of living of all farmers, the concentration of the backward individualistic rural economy, and the pooling of land and labor, with the consequent employment of advanced agricultural techniques and machinery. All this will result in high production and that will bring revolutionary reconstruction into the village economy.

In this process, the nationally managed economy must render strong support to the rural marketing and supply organizations, production teams, and cooperatives in supplying the peasants needs and buying up their products and in extending various sorts of production loans.

It is very important that the party workers do very careful work in the rural areas. While the free development of the individual economy of the farmers must be prevented, no authoritarian methods may be used; only education and persuasion are permitted. This method may result in prolonging the struggle, but the final victory will be all the more glorious.

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